

House Resolution 1484

By: Representatives Stephens of the 164th and Bryant of the 160th

A RESOLUTION

1 Requesting that the United States Congress not pass legislation that would preempt local
2 taxing authority by preventing state and local governments from collecting hotel-motel taxes
3 and any sales taxes or sales and use taxes from third-party intermediaries when hotel rooms
4 are booked through such third parties, that would allow online travel companies to avoid
5 paying hotel-motel taxes and any sales taxes or sales and use taxes on retail room rates
6 prospectively, or that would preempt local governments from suing online travel companies
7 to recover unpaid hotel-motel taxes or any sales taxes and sales and use taxes; and for other
8 purposes.

9 WHEREAS, the State of Georgia, like the rest of the nation, is in the midst of a challenging
10 economic downturn; and

11 WHEREAS, state and local governments are experiencing tremendous budgetary strains
12 associated with the worst fiscal crisis since the Great Depression; and

13 WHEREAS, the hotel-motel tax and the associated sales and use taxes have a significant
14 impact on the economy of the State of Georgia and are important funding sources for many
15 local governments in Georgia; and

16 WHEREAS, tourism in Georgia is a major contributor to this state's economy and the
17 well-being of its citizens; and

18 WHEREAS, hotel-motel taxes and any sales taxes or sales and use taxes are often used to
19 fund tourism promotion and destination marketing, promote conventions and trade shows,
20 promote economic development, pay bond obligations on community projects, and fund
21 tourism costs such as those related to convention centers and visitor centers; and

22 WHEREAS, online travel companies receive payments over the Internet for the lease or
23 rental of hotel rooms in Georgia municipalities and counties; and

24 WHEREAS, some online travel companies do not remit to Georgia municipalities and
25 counties the full amount of hotel-motel taxes and sales and use taxes collected based upon
26 the total consideration charged for the lease or rental of hotel rooms and instead remit taxes
27 on the wholesale price of the room and not the room rate advertised to the consumer; and

28 WHEREAS, in order to collect hotel-motel taxes and any sales taxes or sales and use taxes
29 owed, local governments throughout the country have filed lawsuits to compel firms that
30 receive payments over the Internet for the lease or rental of hotel rooms to remit to the local
31 governments the unpaid taxes that were not paid because of the practice of calculating taxes
32 on the wholesale rate rather than the full booking price; and

33 WHEREAS, the City of Columbus, Georgia, recently won a suit against an online travel
34 company when the court found that the online travel company should pay taxes to the local
35 government based on the room rate advertised to the consumer; and

36 WHEREAS, after the suit was filed, online travel companies subsequently delisted hotels in
37 Columbus, Georgia, and searches through these websites for Columbus accommodations are
38 now directed to Phenix City, Alabama, or other jurisdictions, and this delisting has occurred
39 in other jurisdictions; and

40 WHEREAS, bills or amendments or both are being considered at the federal level that would
41 prevent state and local governments from collecting hotel-motel taxes and any sales taxes or
42 sales and use taxes from third-party intermediaries when hotel rooms are booked through
43 such third parties, that would allow online travel companies to avoid paying hotel-motel
44 taxes and any sales taxes or sales and use taxes on retail room rates prospectively, or that
45 would preempt local governments from suing online travel companies to recover unpaid
46 hotel-motel taxes and any sales taxes or sales and use taxes; and

47 WHEREAS, federal legislation that impinges on the ability of state and local governments
48 to collect hotel-motel taxes and any sales taxes or sales and use taxes is contrary to local
49 control and federalizes what are traditionally local tax matters.

50 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that
51 the members of this body request that the Georgia congressional delegation oppose
52 legislation that would preempt local taxing authority by preventing state and local
53 governments from collecting hotel-motel taxes and any sales taxes or sales and use taxes
54 from third-party intermediaries, that would allow online travel companies to avoid paying

55 hotel-motel taxes and any sales taxes or sales and use taxes on retail room rates
56 prospectively, or that would preempt local governments from suing online travel companies
57 to recover unpaid hotel-motel taxes and any sales taxes or sales and use taxes.

58 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized
59 and directed to transmit an appropriate copy of this resolution to each member of the Georgia
60 congressional delegation.